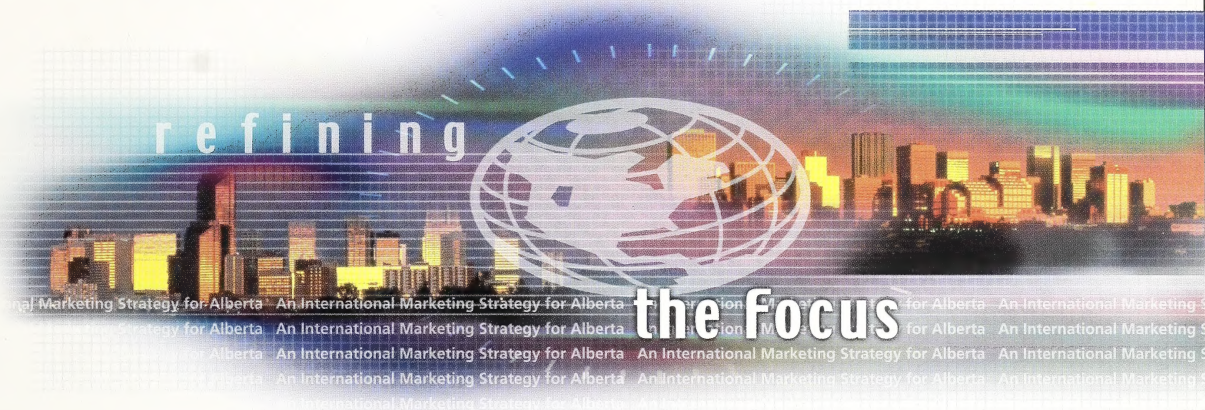


A L B E R T A



Alberta's International Marketing Strategy



C A N A D A

Refining the Focus

Introduction

Today, Alberta's economic strength and overall prosperity rely increasingly on our ability to compete on the world stage. Whether as a source of a diversified range of goods and services for export or as an attractive location for investment, our participation in these and other economic activities in the international arena is vital.

The Alberta Government's goal is to ensure "Alberta is the best place in the world to live and do business." To achieve this goal, government must promote Alberta's continuing prosperity through a number of initiatives, one being **Alberta's International Marketing Strategy**.

This strategy is a key initiative established under "Alberta's Framework for International Strategies" and is built on three equally important pillars: the well being of Albertans, sustaining Alberta's environment, and the growth of the economy through successfully taking advantage of Alberta's many market opportunities for goods, products, and services. It focuses on Albertans working together to promote prosperity for Alberta through the further continued development of a strong market-driven industry.

The strategy is further enhanced by the Alberta Government's role to "work with the private sector to strengthen Alberta's economic advantages and build an economic environment conducive to investment and growth of quality jobs."

To succeed, activities must be framed within a deliberate strategy that makes the most of our potential and yields maximum rewards for our efforts. While more than 150 foreign markets buy Alberta's goods and services, we need to focus on those regions and industrial sectors that offer the greatest possibilities for new or expanded opportunities for Alberta business. Consequently, the strategy identifies priorities, selects the best initiatives and develops activities to achieve economic growth. Most importantly, it focuses on adding value to Alberta's commodities before they are shipped to export markets¹. As evidenced by the chart on page 3, it is vital for our long-term success that we concentrate on taking advantage of the substantial growth in trade of manufactured goods versus raw commodities.

1 Value-added refers to such items as processed food and beverage products and by-products, industrial equipment and machinery, petrochemicals, processed wood products, information and computer technologies, health technologies, and business and educational services.



Investment is the key to our moving forward in a sustainable and prosperous way. It is the critical outcome that will measure the success of Alberta's International Marketing Strategy. Growth will be achieved through expansion of existing investments in Alberta, the attraction of new investment to the province and the resulting increase in exports in response to international market and investment opportunities for Alberta's goods and services.

This document is a summary of Alberta's international trade and investment marketing strategy for value added goods and services². Looking ahead three to five years, it sets out the choices required to maintain our international competitiveness in trade and investment. Simply put, it is to get accurate information to our clients, Alberta businesses, within the appropriate time so that it is of enough value to assist Alberta's industry in making investment decisions in response to market opportunities.

² The Tourism sector is not included as its strategy is outlined in Alberta's *Strategic Tourism Marketing Plan 1999-2002* "Charting a New Course: Marketing Alberta Tourism in the New Millennium".

The Importance of Trade and Investment

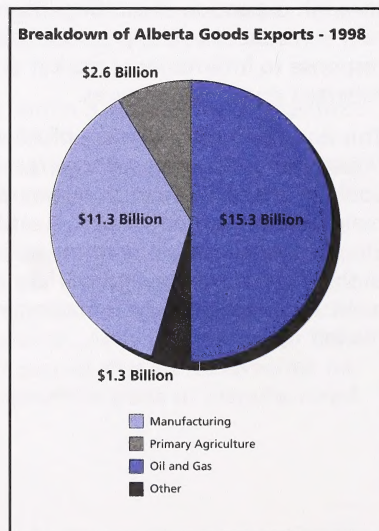
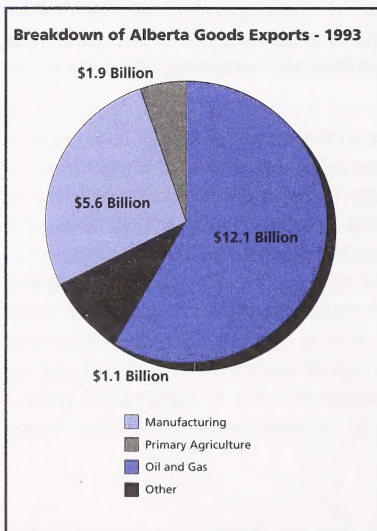
Trade

Export trade is particularly vital to our economy. Today, more than 2,000 Alberta businesses export goods and services around the world. More than one-third of our economic activity, or nearly \$34 billion in 1998, can be traced to exports of Alberta goods and services. Almost 500,000 jobs can be linked to the business we do in foreign markets.

Imports also play an important role in our economy, providing our consumers with lower priced goods and greater choices. Locating and purchasing quality imports improves the competitiveness of Alberta firms producing goods and services.

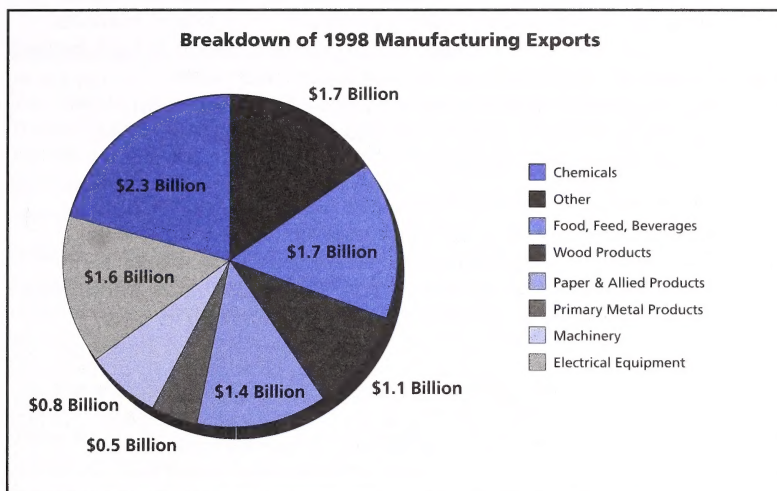
Goods

While resource-based commodities such as natural gas, oil, wheat and lumber are still the mainstays of the economy, value-added manufactured goods³ are playing an increasingly important role in developing Alberta's economy and creating new opportunities for Alberta business. For example, the share of manufactured goods in Alberta's total exports increased from about 27% in 1993 to approximately 37% (\$11.3 billion) in 1998.



3 Statistics Canada classifies "Manufacturing" into the following sub-sectors: Food and Beverages, Plastics, Textiles, Clothing, Wood Products, Furniture, Paper and Allied Products, Primary Metals, Fabricated Metals, Machinery, Transportation Equipment, Electrical/Electronic Equipment, Non-Metallic Mineral Products, Refined Petroleum, Chemicals and Coal Products, and Other Manufacturing.

A breakdown of value-added manufactured goods is shown below:



Services

Similarly, exports of services – especially technology and knowledge-based – contribute greatly to Alberta's growth and, to help weather the occasional shocks of soft commodity prices, add even more diversity to our overall trade portfolio. Amounting to more than \$3 billion, service exports have grown nearly twice as fast as goods exports in the past several years.

Investment

Investment also plays a critical role in the growth, diversification, and prosperity of Alberta. Foreign direct investment (FDI)⁴ is a significant source of economic benefit.

In recent years, investment (both foreign and domestic) has accounted for up to 25% of the province's gross domestic product. Investment builds on our strengths in the province by creating jobs, generating increased growth, improving standards of living, enhancing productivity, diversifying the economy and expanding exports. Studies suggest that 45,000 jobs (both direct and indirect) are generated for each \$1 billion in new investment. Furthermore, nearly 70% of foreign investment is done through expansion of existing facilities in the province. In 1998, new domestic and foreign investment grew to \$29.5 billion, up nearly 41% from three years earlier. New investment and business relocations also foster the development of local companies to provide goods and services. Further, it is probably the most powerful market access tool available to Albertans.

⁴ The term FDI includes new investments, expansion of existing businesses, relocation of business from another country or the retention of existing FDI in Alberta.



Outward investment represents another channel for expanding trade and increasing investment in Alberta. Many Alberta companies expand by developing service or distribution centres in their export markets. This "outward" investment allows the company to be more competitive and knowledgeable about local market trends and needs. This results in more exports, more Alberta-based jobs and more investment in the province. It also provides companies with recession buffers when economic activity slows in Alberta.

A number of Alberta resource companies have become major international players, with significant investments in their foreign operations. Many Alberta companies grow their international operations by establishing offices outside of Canada, undertaking joint ventures with companies in other countries or investing in other companies.

Finally, as trade and investment increases between countries there is a growing interdependence that acts as a catalyst to reduce trade barriers and resolve conflicts. This, in turn, further enhances trade flows.

Marketing Priorities



Establishing Priorities

Our marketing priorities, related to value-added goods and services, involve both Alberta's globally competitive and newly emerging industries. This includes such sectors as resource development, agriculture, manufacturing, advanced technologies and knowledge-based services.

Limited resources require that Alberta establish geographic priorities and carefully manage the tools we have in order to add value cost-effectively. At the same time, diversification of our markets to new and emerging countries is an important consideration for the future. Establishing geographic regional priorities represents an attempt to highlight those areas where government can add the greatest value.

Using a variety of criteria, the government reviews and ranks markets based on their importance to the Alberta economy. The priority markets identified here are both very important currently and have good export and investment potential. Since the global economy is dynamic, priorities are likely to shift.

While only priority countries are identified in this document, Alberta trades with over 150 countries and several dozen countries have foreign direct investment in Alberta. Clearly, some countries are more important to our economic future than others.

Trade Market Criteria

Criteria used for selection of priority trade markets include level of exports, export growth, market size, market openness, financing availability and growth prospects for Alberta exports.

Level of Exports or Export Growth

Markets where Alberta has a significant level of manufactured goods exports already well established or where dramatic growth in manufactured provincial exports has recently occurred.

Market Size

Large, healthy, and mature economies with a strong demand for imports of goods and services.

Market Openness

Few or no barriers to trade and an ability to import.

Financing Availability

Availability of export financing and relative ease of access to capital.

Growth Prospects for Alberta Exports

Likely match of demand for goods and services with Alberta exporters' ability to supply it, and assessment of investment potential from the market.

Trade Market Priorities

Group "A"	Group "B"	
North America	United States Mexico	
Asia Pacific	Japan China South Korea	Australia Hong Kong Taiwan Thailand
European Union	Germany United Kingdom	France Netherlands
South America		Argentina Brazil Chile Venezuela
Middle East and South Asia		India Iran Saudi Arabia

Group A markets are high priority and are where the bulk of the government's international marketing resources are currently focused. Group B represents currently important markets for Alberta's exports with significant potential for the future. Although Alberta's focus is on these countries, major trends and events in other countries are monitored and assessed on a regular basis to evaluate their potential.

Foreign Direct Investment (FDI) Criteria

The following criteria have been considered when identifying priority markets for attracting FDI.

Existing Levels of FDI

Existing sources and sectors of incoming FDI to Alberta.

Ranking of World FDI Sources

Countries that are world leaders of FDI are potential sources of investment.

Level of Exports or Projected Export Growth

Export activities often provide links to potential investment.

Sector Specific Potential

Attract FDI into targeted industry sectors.

Investment Priorities

As with all of Canada, Alberta's primary source of FDI continues to be the United States. Much of this investment is in Alberta's established industry sectors of energy, forestry and agri-food. Although this

contributes greatly to the growth of our economy, we must focus our efforts on securing greater investment into new and emerging industry sectors.



Investment Market Priorities

Group "A"	Group "B"	
North America	United States	
Asia-Pacific	China Japan Hong Kong Taiwan	Australia Singapore South Korea
Europe	Germany United Kingdom Netherlands Switzerland	France Italy

As with trade markets, Group A markets are high priority and are where the bulk of the government's investment attraction resources are currently focused. Group B represents markets that have significant investment potential for Alberta. Similarly, other potential sources of investment are evaluated on an annual basis.

Key Sectors

The following are the priority industry sectors for Alberta's international marketing strategy. These sectors represent a cross-section of Alberta's most internationally competitive industries along with emerging sectors that hold significant potential.

- Agriculture and agri-food
- Avionics and aerospace
- Building and housing products
- Business immigration
- Chemicals and petrochemicals
- Education and training programs
- Energy
- Engineering and construction services
- Environmental technologies and services
- Information and communication technologies and services
- Life sciences⁵
- Machinery and equipment (oil and gas equipment, technology and services)

⁵ Life sciences are defined as basic and applied research and development efforts in a wide variety of science-related disciplines involving living organisms and/or their living environments (such as health, agriculture, forestry and the environment) and the resulting applications, products and enabling technologies.

Strategic Framework

Overall Marketing Strategies

In keeping with a recent study by KPMG (1998) on best practices in international marketing, the Alberta government will employ several strategies that may be commonly applied across different priority markets and sectors.

As part of these strategies, we will continue and constantly improve upon our marketing services through on-line technology. Whether disseminating market intelligence via the web or showcasing the province through electronic media, new technologies offer an efficient marketing mechanism.

Provide Market Intelligence

We will provide Alberta businesses with market intelligence on emerging opportunities within our target markets and sectors in order to increase their competitive advantage. Effective market and competitive intelligence and the ability to share it will be particularly relevant for new growth sectors. This strategy seeks to identify emerging issues and trends of significance to Alberta exporters and to design and implement initiatives to enhance market access.

Create Partnership Networks and Alliances

Working together with industry partnerships and alliances increases Alberta's leverage in target markets. A strong and active network gathers intelligence, builds awareness and develops trade and investment activity. The development of networks and relationships establishes springboards into export markets, expands networks and creates joint-venture opportunities for Alberta companies.

Showcasing Alberta Abroad

This strategy employs a wide variety of tools to support market entry by Alberta exporters and promote the province as an attractive place to invest. The tools – which range from Alberta's foreign offices and Premier/Ministerial-led trade missions to marketing materials – are designed to improve access and to promote targeted industry sectors. Market development activities are carried out in partnership with the Alberta private sector.



Lead with Specific Industries

To enter certain markets, Alberta must concentrate on promoting industries that are internationally established, such as oil, gas and agricultural products. This reinforces a market presence and can increase awareness of Alberta's other goods and services. Leading with specific industries, like oil and gas, often enables penetration of the market in closely related sectors, such as engineering services or environmental goods and services. Other activities, such as training offered by Alberta institutions, increases market awareness and supports business linkages between Alberta and key markets.

Use International Financial Institutions (IFIs)

IFIs represent a major source of international project financing in a number of developing markets of interest to Alberta exporters. IFIs can play an integral role in the development of international activities for the Alberta private sector. This strategy seeks to develop IFI expertise to respond to requests from Alberta private sector firms. As we improve our knowledge of IFIs, their processes, and project opportunities, we will share this expertise with the Alberta private sector and facilitate the export process. The Alberta government will also provide consultative expertise on government services and administrative processes to developing country governments.

Strategic Goals

In keeping with the following goals outlined in Alberta's Business Plan 1999-2002 –

- Goal 6 "Alberta will have a prosperous economy,"
- Goal 9 "Alberta's value-added industries will lead economic growth," and
- Goal 13 "Alberta businesses will increase exports" –

Alberta's international marketing strategy seeks to:

- increase manufactured and service exports from \$14.5 billion in 1998 to \$19.5 billion in 2002; and
- increase the value of new capital expenditures in Alberta's manufacturing and service industries from \$10 billion in 1998 to \$13.9 billion in 2002

Priority Market Profiles

The following market profiles outline the sectoral targets and the strategic initiatives we will implement within our priority markets.

United States

The United States is Alberta's largest export and investment market, accounting for almost one third of Alberta's GDP.

Export Profile

The U.S. accounts for 83 percent of the province's total exports.

Alberta Exports to the United States (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$7,122,000	\$8,674,000	\$7,245,970	\$8,280,733
Total Alberta Exports	\$20,675,701	\$25,279,937	\$26,992,395	\$25,224,777

Investment Profile

The U.S. has been the source of more than 67% of all FDI into Canada. It continues to be the most attractive and major source of our FDI. Ease of communication, comparable financial structures, geographic proximity, and similar operating conditions provide the driving force for U.S. investment into Canada and Alberta.

Key Sectoral Targets

- Agri-food
- Avionics and aerospace
- Building and housing products
- Business immigration
- Energy
- Environmental technologies and services
- Information and communication technologies (ICT)
- Life sciences

Key Initiatives – Export Trade

Agri-food

- Continue to develop and disseminate broker, distributor, retailer and manufacturer profiles to industry.
- Facilitate the development of an export directory and company profiles information.
- Complete an organics study and organize an organic seminar on identified opportunities for Alberta companies.

- Consult with industry and internal partners to determine market study research needs.

Avionics and aerospace

- Collaborate with the Alberta Aerospace Association to identify and pursue opportunities in specific U.S. markets.
- In cooperation with the Washington Aerospace Alliance, explore strategic alliances and supplier opportunities. An "alliance building" meeting is planned for March 2000 in Seattle.
- Survey Alberta aerospace companies regarding their interests/concerns in the U.S. market.
- Examine hiring a U.S. contractor to assist Alberta in accessing U.S. supply and procurement opportunities.

Building and housing products

- Develop and implement an industry-wide survey of Alberta's building products companies to determine and assess their needs, capabilities, markets, export potential and technology development.
- Facilitate the development of a building products webpage, which will profile Alberta's capabilities and link to key industry associations and organizations.
- Identify and pursue market specific initiatives such as trade shows, missions and conferences to increase the awareness and export of Alberta's building products.

Environmental technologies and services

In cooperation with the Environmental Services Association of Alberta (ESAA) and other industry/government partners:

- Identify and pursue market specific initiatives including trade missions and conferences to increase Alberta's exports of environmental technologies and services and raise awareness of Alberta's environmental industry capabilities. For example, participate in the major environmental technology trade show, Globe 2000 Conference in Vancouver.
- Facilitate the development of a U.S. market intelligence program to identify viable environmental business opportunities to disseminate to export-ready Alberta companies.
- Develop and implement an industry-wide survey of Alberta's environmental companies to determine and assess needs, capabilities, markets, export potential and technology development.

Information and communication technologies (ICT)

- Provide targeted mentoring programs for technology commercialization, financing and marketing.
- Work with Alberta software developers to attend key marketing events such as Comdex and Softworld.
- Build on industry clusters of geomatics, SCADA (supervisory control and data acquisition), multimedia, medical, and specialized business applications in ICT software sector U.S. target markets.



- Develop software industry database and directory of Alberta capabilities, including export ready companies. This directory will lead to an increased understanding of Alberta's products, capabilities and prospects.
- Assist Alberta software companies to become more export ready.

Life sciences

- Actively communicate the strengths of the province's life sciences sector by attending trade shows, distributing brochures and contacting interested parties, in cooperation with BioAlberta (Alberta Biotechnology Association) and the industry it represents.
- Participate in four to five major life science related conferences each year, for example, the Bio-2000 international conference in Boston.
- Identify investment sources including venture capital.

Key Initiatives – Investment

Agri-food

U.S. companies tend to be more familiar with Alberta's agricultural capabilities and business and cultural practices. Many have established trading relationships in different agri-food processing sectors such as meat, cereal and grains, oilseeds, forages, vegetables and processed foods and have committed capital to pursue investment opportunities in the past. Over the last 5 years, 11 of the top U.S. food companies have invested in Alberta's food processing industry.

- Promote investment opportunities in the agri-food sector to identify companies and investors by providing information on the advantages of doing business in Alberta.
- Promote opportunities to companies that have interest in the quantity and quality of agricultural raw materials available and the proximity to key western North American and Asian markets.
- Identify and develop opportunities for strategic alliances, partnerships and joint ventures with Alberta companies that increase agri-food production in Alberta.
- Identify opportunities for product development in value-added products, convenience foods, home meal replacements, functional foods, alternative livestock, organic/natural foods, R&D and technology transfer with U.S. partners.

Chemicals and petrochemicals

- Undertake a study to define and describe the opportunity to upgrade propylene in Alberta.
- Attend industry events, such as the DeWitt World Petrochemical Review and the National Petrochemical and Refiners Association Annual Conference, to learn what various industry companies are planning and make contacts and form relationships that facilitate promoting investment opportunities in Alberta with these companies.

- Initiate discussions with sector companies. Arrange meetings among interested parties and key government staff to discuss Alberta's advantages, resources, and regulatory environment. Assist with introductions to potential local partners.
- Assist with planning and sponsorship of the CERI annual petrochemical conference, which raises Alberta's profile in the industry, and gives exposure to Alberta's advantages for petrochemical production.

Energy

- Attract international investment by developing a regulatory framework through consultation with industry, which fosters a business friendly environment.
- Promote Alberta's energy sector through promotional materials, events, as well as Premier and Ministerial missions.
- On a client basis, hold meetings between interested parties and key department staff to discuss Alberta's energy resources and regulatory environment. Assist with introductions to local partners.
- Promote opportunities to purchase power generation in Alberta through an investment attraction mission, which will lead to further activities to promote the new industry structure.

Business immigration

- Undertake promotional activities targeted at temporary foreign workers in the U.S. from Asia in small to medium sized IT companies that are experiencing staffing problems due to restrictive temporary work permits issued in the U.S. Market Alberta as a destination for these companies.
- Target temporary work permit holders whose permits are about to expire. This initiative will contribute to addressing skills not readily available in the IT sector in Alberta.

Information and communication technologies

- Recognize the value of assisting expatriate Canadians currently based in the U.S. to return to work in Alberta or to establish a presence if they are company owners. The Expatriate Technology Initiative proposes visiting six U.S. posts over three years. The initiative has the potential to attract highly skilled individuals and companies to Alberta.

Japan

Japan is Alberta's largest export market after the U.S. Its GDP per capita is higher than that of the U.S. and Japan is a major consumer of energy resources, agriculture and food products and high-value manufactured items.

Japanese industry must be made aware of Alberta's export capabilities and investment potential. Equally, Alberta businesses need to be more aware of sales opportunities in the Japanese market. Therefore, increasing awareness of and promoting our capabilities is critical to enhancing export possibilities. The use of Alberta's Japan office in Tokyo, the government website and e-commerce linkages are key strategies.

Export Profile

Alberta Exports to Japan (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$902,395	\$799,419	\$841,516	\$624,618
Total Alberta Exports	\$1,815,881	\$1,653,429	\$1,726,997	\$1,274,953

Investment Profile

Japanese companies hold extensive investments throughout Canada and have been an important source of foreign direct investment for Alberta.

Key Sectoral Targets

- Agri-food
- Building products and services
- Chemicals and Petrochemicals
- Education and training programs
- Energy
- Information and communication technologies
- Life sciences

Key Initiatives – Export Trade

Agri-food

- Develop and maintain collaborative efforts in international exchange with Japanese industry. Programs such as the Seiyu agri-food industry exchange help to develop and maintain a collaborative effort in broadening each partner's awareness of business opportunities between Japan and Alberta.
- Develop opportunities for competitively priced agri-food products such as value-added meat products (quality, innovative, natural,

organic), cereals and oilseeds (barley for tea), ingredients for home meal replacement (pasta, croquettes, cooked/frozen vegetables, etc.), functional foods, and nutraceuticals.



Building products and services

- Continue to support and invite Alberta experts to speak at specialized housing seminars throughout Japan to showcase Alberta companies and capabilities to potential market contacts and opportunities within regional markets.
- Emphasize niche markets such as engineered wood products and manufactured housing to increase Alberta exports in the high demand Japanese market for quality housing and building products.

Education and training programs

- Provide opportunities for institution-to-institution student exchanges, special study placements and research projects which promote, in particular, our sister province relationship with Hokkaido.
- Provide opportunities for post-secondary institutions to market their expertise and services internationally in areas such as oil and gas, agriculture, high technology, English as a Second Language, environmental studies, municipal planning and business management.
- Develop partnerships with Japanese technical universities or research organizations comparable to the Alberta Research Council to provide access to venture capital and expertise in Japan.

Life Sciences

- Enhance the profile of Alberta's life sciences in Japan by following up on current contacts. Effective market and competitive intelligence and the ability to share it will be particularly relevant for this growth sector.
- Assess regional opportunities within the Japanese market, sharing market and competitive intelligence for new growth sectors such as environmental goods and services and life sciences.

Key Initiatives – Investment

Japanese foreign direct investment in Alberta has concentrated on forest products, oil sands, energy, petrochemicals, food processing, hotels and banking.

All sectors

- Explore the specifics of Japanese investment in the U.S. and identify opportunities for similar investment in Alberta, in order to maintain and expand current levels.

Agri-food

- Develop strategic alliances between Alberta companies successfully exporting to Asia and Japanese businesses to consider investing in plant and capacity expansions in Alberta. The priority sectors are processed foods and livestock.

- Identify and develop investment opportunities with Japanese importers/exporters that have successful trading relationships with Alberta agri-food processors.
- Identify and promote investment opportunities to companies interested in accessing Alberta's agricultural raw materials or accessing markets in both North America and Asia.

Chemicals and petrochemicals

- Recommend policies, through consultation with industry companies and associations, conducive to developing an industry friendly regulatory framework and business environment.
- Promote Alberta's chemical and petrochemical sector through studies, promotional materials and Premier and Ministerial missions.
- Initiate discussions with sector companies. Arrange meetings among interested parties and key government staff to discuss Alberta's advantages, resources and regulatory environment. Assist with introductions to potential local partners.

Energy

- Attract international investment by developing a regulatory framework through consultation with industry, which fosters an enhanced business environment.
- Promote Alberta's energy sector through promotional materials, events as well as Premier and Ministerial missions.
- On a client basis, hold meetings between interested parties and key department staff to discuss Alberta's energy resources and regulatory environment. Assist with introductions to local partners.

Information and communication technologies

- Initiate discussions with multinational corporations regarding investment opportunities in Alberta's ICT industry.

China

China is one of the world's fastest growing economies and this growth is expected to continue.

From grain in the 1960s, to oil and gas equipment and services in the 1980s, to environmental technology, municipal infrastructure development and building products today, trade with China is now Alberta's third largest partnership, valued at more than \$1 billion.

Through a variety of initiatives – for example, the establishment of the China-Alberta Petroleum Centre (CAPC) in 1990 and the opening of the Alberta Trade Office in the Canadian Embassy in Beijing in 1999 – Alberta has established strong ties with the Chinese market.

As China prepares to accede to the World Trade Organization and lower its trade barriers, market prospects for Alberta will be significantly strengthened.

Export Profile

Alberta Exports to China (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$252,991	\$235,270	\$262,403	\$221,153
Total Alberta Exports	\$681,167	\$680,386	\$442,623	\$392,414

Key Sectoral Targets

- Agri-food
- Building and housing products
- Business immigration
- Education and training programs
- Energy
- Environmental technologies and services
- Oil and gas equipment

Key Initiatives – Export trade

Maintain a visible presence both through Alberta representatives located in Beijing, Harbin and Hong Kong, and through government-led missions designed to increase awareness of Alberta's strengths and capabilities. Capitalize on the relationship with Heilongjiang – Alberta's sister province in China – through outreach business seminars highlighting Alberta's manufacturing and service capabilities.



Agri-food

- Develop and maintain the two agreements Alberta Agriculture signed with the Ministry of Agriculture of China. Continue to formulate a framework for supporting long-term market development of Alberta companies in China with focus on commercial results and encouraging sales of beef, cattle genetics, seeds services and equipment from Alberta to China.
- Continue to monitor the China food market system focusing on Southern China, Hong Kong, Shanghai and Beijing. As China progresses towards entry into the WTO, market opportunities for processed food will continue to emerge and expand.

Building and housing products

- Through Alberta's trade offices, identify key Chinese decision-makers in the housing industry and help them organize missions to Alberta to meet with Alberta suppliers.
- Identify relevant construction industry trade exhibitions in China for participation by Alberta companies.

Business immigration

- Promote Alberta as a Business Immigrant destination of choice by partnering with immigration practitioners and Canadian immigration officials who are operating in China.

Education and training programs

- Assist the public post-secondary institutions to carry out activities which contribute to achieving Alberta's international relations, trade and investment objectives.
- Provide opportunities for post-secondary institutions to market their expertise and services internationally in areas such as oil and gas, agriculture, high technology, English as a Second Language, environmental studies, municipal planning and business management.

Environmental technologies and services

- Through Alberta's trade offices, identify key Chinese decision-makers in environmental industries and help them organize missions to Alberta to meet with Alberta suppliers.
- Secure market intelligence on the Chinese market and disseminate to appropriate industry association and export-ready companies, in cooperation with the Environmental Services Association of Alberta (ESAA) and other industry/government partners.

Oil and gas equipment

- Through the China-Alberta Petroleum Centre (CAPC), identify export opportunities for manufacturers of oil and gas equipment and services and provide market intelligence on structural changes in China's energy sector.

- Continue to build on relations with high-level decision makers in the energy sector established through the Minister of Economic Development's mission to Asia in 1999.
- Identify relevant energy industry trade exhibitions in China for participation by Alberta companies.

Key Initiatives – Investment

Agri-food

- Create awareness of Alberta's agriculture and food processing industry by establishing contacts and networks in key regions.
- Assist qualified investors to identify and evaluate investment opportunities.

Energy

- Promote Alberta's energy sector through promotional materials and events. Develop linkages with the Chinese government to promote Alberta's regulatory and resource management system. Encourage a strong resource focus for Alberta's office in Beijing.

European Union

Consisting of 15 countries, the European Union is a dynamic market that, with a population of over 373 million people and a GDP of \$11.2 trillion, rivals the U.S.

Export Profile

Alberta Exports to the European Union (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$763,580	\$897,750	\$795,680	\$830,680
Total Alberta Exports	\$1,066,749	\$1,005,718	\$1,010,162	\$1,069,967

Alberta Exports to the United Kingdom (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$136,665	\$193,198	\$107,077	\$165,120
Total Alberta Exports	\$207,671	\$246,242	\$168,827	\$232,719

Alberta Exports to Germany (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$183,956	\$139,282	\$168,501	\$140,443
Total Alberta Exports	\$210,393	\$166,223	\$173,773	\$162,282

Investment Profile

The EU is the world's largest source of foreign direct investment and shares many historical and cultural ties with Canada. The global expansion of European companies and the establishment of production facilities abroad provide abundant opportunities for secure investment capital. The EU offers Alberta enormous opportunities for investment, as well as trade and immigration.

Key Sectoral Targets

- Agri-food
- Chemicals and petrochemicals
- Environmental technologies and services
- Information and communication technologies
- Life sciences

Key Initiatives – Export Trade

Agri-food

- Complete a detailed trade data review of the European Union and selected central European countries.
- Work with Canadian embassies, international representatives, and interested Alberta companies in developing market information networks.
- Develop market intelligence on food safety requirements, organic and natural foods and genetically modified foods for dissemination to Alberta producers, processors and exporters.

Information and communication technologies

- Assist Alberta companies in developing markets in the European Union through identifying key contacts as well as providing targeted market intelligence and information on business practices and culture.

Life sciences

- In the European Union, there is a pressing need for coordinating and conducting research into the marketplace for Alberta's life science industry.
- Build awareness and effectively profile Alberta's expertise among EU partners and clients including Canadian embassies, consulates, associations, key organizations and key corporations.
- Enhance the growth of technology-intensive industries through increased technology transfer arrangements and joint ventures with partners in targeted EU countries.

Key Initiatives – Investment

Agri-food

- Investigate technology-driven investment opportunities. Identify innovative European companies with new technologies that can be applied in the agri-food sector in Alberta.
- Partner with federal and municipal governments to identify and promote regional investment opportunities in the agri-food sector.

Chemicals and petrochemicals

- Initiate discussions with sector companies. Arrange meetings among interested parties and key government staff to discuss Alberta's advantages, resources, and regulatory environment. Assist with introductions to potential local partners.

All sectors

- Create a set of tools to support early efforts of market entry. These tools are designed to improve access at the two geographic entry points of Germany and the U.K. and will promote targeted industry sectors. They initially include an EU information kit on Alberta, an EU website, and a media strategy to increase Alberta's exposure in the EU.
- In conjunction with other public and private sector partners, showcase Alberta at the 2000 World Exposition in Hannover, Germany.
- Participate in federal/provincial Business Immigration Promotion and Recruitment missions to the EU. Focus on participation in Emigrate trade shows in London, England and mission activities in Germany, Italy and the Netherlands to promote Alberta as the destination of choice for business immigrants to live and do business.

Mexico

Since the implementation of the North American Free Trade Agreement (NAFTA) in 1994, Mexico has emerged as a major export market for Alberta. Maturing market characteristics offer a variety of opportunities for Alberta exporters.

Export Profile

Alberta Exports to Mexico (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$48,528	\$67,351	\$78,353	\$124,998
Total Alberta Exports	\$169,781	\$212,055	\$230,629	\$271,483

Key Sectoral Targets

- Agri-food
- Education and training programs
- Energy
- Engineering and construction services
- Environmental technologies and services
- Information and communication technologies and services
- Oil and gas equipment and services

Key Initiatives – Export Trade

Agri-food

- Host incoming Mexican buyers and provide an opportunity for them to meet with Alberta industry.
- Explore opportunities for Alberta industry to promote their products in Mexico including participation in Mexican agri-food trade shows.
- Using the completed Hotel Restaurant and Institutional Study, promote opportunities in the Mexican food service sector to Alberta industry and conduct further, targeted research into opportunities in this sector.

Education and training programs

- Provide opportunities for post-secondary institutions to market their expertise and services internationally in areas such as oil and gas, agriculture, high technology, English as a Second Language (ESL), environmental studies, municipal planning and business management.

- Assist the public post-secondary institutions to carry out activities that contribute to achieving Alberta's international relations, trade and investment objectives. Follow up on the Minister of Learning's 1999 mission to the state of Jalisco, to support and promote Alberta's learning system at both the basic and post-secondary levels.

Engineering and construction services

- Develop a partnership with the Mexican Construction Industry Chamber (CMIC) to promote Alberta capabilities and capacities and identify opportunities for Alberta companies.
- Develop a strategy to promote Alberta capabilities and capacities to targeted Mexican and foreign engineering, procurement and construction companies.
- Partner with Mexico's national housing agency (Infonovit), the Canadian Mortgage & Housing Corporation and the Canadian Commercial Corporation to support Alberta businesses targeting Mexico's housing and building products market.

Environmental technologies and services

- Commission market research studies to establish targets and opportunities in the environmental goods and services sector.

Information and communication technologies and services

- Promote Alberta capabilities and capacities in software and process solutions associated with the key target sectors – oil and gas, infrastructure and environment.

Oil and gas equipment and services

- AED's pilot test of the internet based MBIS (Mexico Business Intelligence Service) will provide timely and relevant pre-pipeline market intelligence and information, including Pemex tenders, project opportunities, industry news, key contacts and websites.
- Continue the development and marketing of the OGSE (oil and gas services and equipment) website directory with the federal government.
- Promote Alberta capabilities and capacities to supply Pemex and Mexican suppliers through targeted missions and attendance at key conferences and exhibitions.
- Commission targeted market research studies to highlight opportunities in key sub-sectors of Mexico's oil and gas sector.

Key Initiatives – Investment

Energy

- Promote outbound investment by Alberta companies through encouraging Mexico to adopt aspects of Alberta's regulatory regime.

Other Asia-Pacific Markets

Export Profile

Alberta Exports to Hong Kong (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$82,372	\$86,845	\$94,714	\$57,062
Total Alberta Exports	\$94,676	\$93,418	\$105,173	\$90,031

Alberta Exports to South Korea (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$349,378	\$283,025	\$363,498	\$278,192
Total Alberta Exports	\$534,889	\$458,414	\$545,824	\$414,788

Alberta Exports to Singapore (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$56,232	\$50,408	\$84,291	\$79,340
Total Alberta Exports	\$61,917	\$66,374	\$86,751	\$81,080

Alberta Exports to Taiwan (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$223,740	\$244,605	\$240,489	\$169,056
Total Alberta Exports	\$272,489	\$270,394	\$278,618	\$209,779

Key Sectoral Targets

- Agri-food
- Building and housing products
- Chemicals and petrochemicals
- Education and training programs
- Energy
- Engineering and construction services
- Environmental technologies and services
- Oil and gas equipment and services

Key Initiatives for Asia-Pacific Markets – Export Trade

Agri-food

- Undertake a competitive analysis of key agri-food products that Alberta has the capacity to supply to the South Korean market.
- Develop a contact list of food brokers, distributors and buyers that are relevant to Alberta's industry – by using secondary information and working with Alberta companies who are interested in the Taiwan market.

Building and housing products

- Continue to export wooden doors and frames, shakes, wooden furniture and prefabricated homes to South Korea. Explore opportunities to participate in architectural/ engineering/ construction services in public construction projects, as recently introduced in South Korean regulations.

Education and training programs

- Provide opportunities for post-secondary institutions to market their expertise and services internationally in areas such as oil and gas, agriculture, high technology, English as a Second Language, environmental studies, municipal planning and business management. Build upon the success of the 1998 ESL marketing mission to Asia – including Korea – that Alberta Learning helped to facilitate.
- Provide international marketing assistance to post-secondary institutions through cost-shared support of the Alberta Centre for International Education (ACIE). Through ACIE's current educational development project in Vietnam, there will be opportunities to expand the international marketing of education and training products and services offered through our education providers in Asia.

Key Initiatives for Asia-Pacific Markets – Investment

Agri-food

- Create awareness of Alberta's industry by establishing contacts and networks among agriculture and food processing companies in Taiwan and Hong Kong.
- Assist qualified investors in Taiwan and Hong Kong to identify and evaluate investment opportunities.



Chemicals, petrochemicals and energy

- Attract international investment by maintaining a competitive fiscal and regulatory regime and a strong, positive business climate in Alberta.
- Promote Alberta's energy sector through promotional materials, events, as well as Premier and Ministerial missions.
- Continue to develop potential investment opportunities in the Alberta oil sands that were initiated during the Minister of Economic Development's mission to Asia in 1999.
- On a client basis, hold meetings between interested parties and key department staff to discuss Alberta's energy resources and regulatory environment. Assist with introductions to local partners.

All sectors

- Explore opportunities for strategic alliances between Albertan and South Korean firms to offer tangible economic and technological benefits to both sides.

Middle East and South Asia

Developing markets offer a variety of opportunities for Alberta exporters. The Middle East and South Asia regions contain two priority markets and three specific industrial sectors targeted for marketing activities.

The Persian Gulf Region and India were chosen as hubs for other markets in their respective regions. Our efforts to expand the hubs will help Alberta goods and services access other regional markets in this area.

Export Profile

Alberta Exports to Persian Gulf Region⁶ (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$20,585	\$40,885	\$39,825	\$76,775
Total Alberta Exports	\$137,812	\$277,494	\$375,006	\$186,268

Alberta Exports to India (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$10,934	\$11,965	\$8,395	\$7,815
Total Alberta Exports	\$24,733	\$21,178	\$36,371	\$15,840

⁶ Persian Gulf Region includes Iran, United Arab Emirates, Saudi Arabia, and Kuwait.

Key Sectoral Targets

- Engineering and construction services
- Environmental technologies and services
- Oil and gas equipment and services



South America

South America offers abundant opportunities for Alberta exporters. Within this region, four priority markets and four specific industrial sectors have been identified for strategic marketing activities.

Brazil, Venezuela, Chile and Argentina were chosen because of their compatibility with Alberta's economy. Major economic sectors in these markets are similar to Alberta's dominant sectors, such as oil and gas, forestry and agriculture.

Export Profile

Alberta Exports to South America (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$45,300	\$59,285	\$101,780	\$83,140
Total Alberta Exports	\$293,944	\$462,642	\$453,036	\$300,270

Alberta Exports to Argentina (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$8,079	\$12,298	\$34,934	\$12,161
Total Alberta Exports	\$14,369	\$16,089	\$42,979	\$16,048

Alberta Exports to Brazil (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$11,709	\$26,419	\$24,396	\$36,111
Total Alberta Exports	\$157,318	\$196,001	\$163,236	\$130,356

Alberta Exports to Chile (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$14,367	\$10,892	\$19,462	\$11,597
Total Alberta Exports	\$43,407	\$72,032	\$57,019	\$26,155

Alberta Exports to Venezuela (Cdn\$ '000)

	1995	1996	1997	1998
Manufactured Exports	\$4,156	\$5,958	\$8,730	\$16,615
Total Alberta Exports	\$21,579	\$60,514	\$54,948	\$50,852

Key Sectoral Targets

- Business immigration
- Education and training programs
- Engineering and construction services
- Environmental technologies and services
- Oil and gas equipment and services

Key Initiatives for Middle East, South Asia and South American Markets – Export Trade

Business immigration

- Participate in federal/provincial Business Immigration Promotion and Recruitment missions to Brazil, Argentina, Venezuela and Colombia.

Education and training programs

- Provide opportunities for post-secondary institutions to market their expertise and services internationally in areas such as oil and gas, agriculture, high technology, English as a Second Language, environmental studies, municipal planning and business management. Alberta Learning has provided marketing assistance to the Northern Alberta Institute of Technology to develop its plans for the oil and gas training market in Argentina.

Engineering and Construction Services

- Participate in the National Petroleum Show in Calgary and the Offshore Technology Conference in Houston to facilitate joint-ventures and projects between Alberta engineering and construction service suppliers and South American government and industry, with a focus on the oil and gas and environmental sectors.

Environmental technologies and services

- Facilitate Alberta private sector mission to a Venezuela Environmental Technologies conference in early 2000, and assist with organizing one-on-one meetings between Alberta and Venezuelan companies.

Oil and gas equipment and services

- Facilitate Alberta private sector participation in a heavy oil trade mission to India in spring of 2000.
- Organize incoming mission for the Chief Minister for the State of Gujarat, India, in early 2000 which will focus on the energy sector.
- Follow up on the 1999 Alberta public and private sector oil and gas mission to Brazil, which was facilitated by the Canadian foreign consulate in Brazil.
- Clustering industries to specific markets and projects or having complementary industries focus on a specific goal is a key strategy since target industries are often highly integrated. For example, development of a gas pipeline will require expertise from a variety of sectors including engineering, oil and gas equipment and environmental services.

Key Initiatives for Middle East, South Asia and South American Markets – Investment

Energy

- Promote outbound investment by Alberta companies through encouraging developing countries to adopt aspects of Alberta's regulatory regime.

Government's Role in International Marketing

In our market-based economy, government does not directly engage in trade and investment activities. Developing export markets is done almost exclusively by the private sector with appropriate support from government only at key points in the process. By providing market intelligence, facilitating partnerships, identifying opportunities and helping Alberta companies seize them, government creates and maintains an environment for Alberta businesses to develop and pursue trade and investment opportunities.

Investment attraction and retention is an important activity for governments as they seek to diversify their economy. The government must look at the longer-term benefits of attracting and retaining foreign direct investment. Governments can work "one-on-one" with individual companies, providing them with the necessary information needed to make decisions to locate or expand in Alberta. Furthermore, investment attraction and retention require careful cooperation among the federal, provincial and local governments if they are to be successful. Developing that collaborative effort is critical if companies are to be convinced to come to Canada, Alberta and then to a locality within the province.





Several Alberta government departments possess mandates to further develop the economy of the province through international trade and investment activities.

Agriculture, Food and Rural Development promotes investment in the province's agricultural and agri-food industry.

Economic Development is the lead economic planning department for the government with responsibilities for international marketing of value-added goods and services and Alberta's foreign offices.

Innovation and Science manages and funds strategic investments in science and research and promotes the growth and development of technology businesses and industry in Alberta.

International and Intergovernmental Relations provides leadership in our international government-to-government relationships and promotes our province's interests in international trade policy.

Learning facilitates and promotes education linkages and exchanges internationally and coordinates the development of Alberta's immigration policy.

Resource Development fosters development, investment, and trade in Alberta's energy, forestry and minerals resources.

Performance Measurement

Alberta Economic Development will implement a comprehensive performance measurement framework in the 2000/01 fiscal year to improve performance measures. This framework will require developing performance measurement processes for major projects and programs at their planning stage, monitoring and reporting on their progress and, if appropriate, concluding with a comprehensive evaluation. On an annual basis, an assessment will be carried out to determine the extent to which Alberta's International Marketing Strategy goals, priority markets, sectors and activities are appropriate.

Conclusions

Any effort that encompasses shared objectives and common interests among all of those who take part in it works best when it is framed by a practical spirit of cooperation and ongoing communication. The various elements of this International Marketing Strategy were developed through that process and in that spirit. And now, as we move forward, the effectiveness of the strategy's implementation very much relies on our collective ability to sustain our relationship as a group of different but like-minded stakeholders.

For More Information

Visit our websites

Agriculture – www.agric.gov.ab.ca

Economic Development – www.alberta-canada.com

Innovation & Science – www.gov.ab.ca/is

Learning – www.learning.gov.ab.ca

Resource Development – www.resdev.gov.ab.ca

International offices

Alberta currently has a network of foreign offices that are key to establishing entry and acquiring contacts in a foreign market.

BEIJING

Alberta Government Office
Canadian Embassy
19 Dongzhimenwai Dajie
Chaoyang District, Beijing 100600
People's Republic of China
Phone: 86-10-6532-3536
Fax: 86-10-6532-3167
Email: josephine.choi@dfait-maeci.gc.ca

CNPC – Alberta Petroleum Centre
#20 Xue Yuan Road
Science and Technology Building
HaiDian District
Beijing, 100083, China
Phone: 86-10-6209-8523
Fax: 86-10-6209-8529
URL: <http://www/altabjo.cn.net>

HARBIN, CHINA

294 Fendou Road
Harbin, China 150001
Phone: 011-86-451-363-8929
Fax: 011-86-451-363-8929
Email: liuhm@public.hr.hl.cn

HONG KONG

Alberta Government Office
Room 1004 Admiralty Centre, Tower Two
18 Harcourt Road
Central, Hong Kong SAR
Phone: 852-2528-4729
Fax: 852-2529-8115
URL: <http://www.alberta.org.hk>
Email: atagovhk@netvigator.com

SEOUL

Alberta Government Office
Canadian Embassy
10th Floor, Kolon Building
45, Mukyo-doong, Chung-ku
Seoul 100-170
Republic of Korea
Phone: 82-2-3455-6000
Fax: 82-2-755-0686
URL: <http://www.altaseoul.com>

TAIPEI

Office of the Alberta Trade Representative
in Taipei
13th Floor
365 Fu Hsing North Road
Taipei, 10483, Taiwan
Phone: 886-2-715-3637
Fax: 886-2-715-1717
Email: altagovt@top2.ficnet.net.tw

TOKYO

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3-37 Akasaka 7-chome
Minato-ku, Tokyo 107, Japan
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URL: <http://www.altanet.or.jp>
Email: ajo@altanet.com

PORTLAND, OREGON

Alberta Trade Office
One Word Trade Centre
121 S.W. Salmon Street, Suite 1100
Portland, Oregon 97204 USA
Phone: 503-471-1316
Fax: 503-471-1317
Email: wes.sawatzky@agric.gov.ab.ca



Alberta's International Marketing Strategy Sector & Market Priorities

	Information Technology	Life Sciences	Avionics & Aerospace	Environment	Building Products
Region/Country					
North America					
United States	X	X	X	X	X
Mexico	X			X	X
Asia-Pacific					
Japan	X	X			X
China				X	X
Hong Kong	X			X	X
South Korea	X			X	X
Taiwan	X			X	
Singapore	X				
Thailand					
Australia					
Europe					
Germany	X	X		X	
U.K.	X	X		X	
France					
Switzerland					
Netherlands					
Italy					
Spain					
South America					
Argentina				X	
Venezuela				X	
Chile					
Brazil				X	
Middle East & South Asia					
Persian Gulf Region				X	
India				X	

Agri-Food	Oil & Gas Products	Engineering Services	Education & Training Programs	Investments – all Sectors	Energy	Business Immigration
X			X	X	X	X
X	X	X	X		X	
X			X	X	X	
X	X	X	X	X		X
X			X	X		
X			X	X	X	
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